Attachment I

Executive Summary
CENCO Refinery Upgrade Project EIR

INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

This document constitutes the *Final* Environmental Impact Report (EIR) for the 1999 CENCO Refinery Upgrade Project. The *Final* EIR includes the Notice of Preparation of a Draft EIR (April 21, 1999), the Draft EIR (July 1999), a Health Risk Assessment (July 1999), Responses to Comments (February 2000), the Final EIR (February 2000), and a revised Health Risk Assessment (February 2000). All documents comprising the Final EIR for the proposed project were circulated for public review, as required by CEQA, and are available at the City of Santa Fe Springs, Planning Department, 11710 Telegraph Road, Santa Fe Springs, California. These documents can be obtained by contacting the City at (562) 868-0511.

The Notice of Preparation (NOP) of an EIR for the 1999 CENCO Refinery Upgrade Project was released for public review on April 21, 1999. The NOP contains a project description and the environmental checklist as required by the California Environmental Quality Act (CEQA) Guidelines. A copy of the NOP is included in Appendix A of this EIR. The Draft EIR for the 1999 CENCO Refinery Upgrade Project was released for public review on July 21, 1999. Fourteen comment letters were received during the comment period for the Draft EIR. Responses to all comments received on the Draft EIR were prepared and are in Volume III of the Final EIR. In addition, comments were received during a public hearing before the City of Santa Fe Springs, Planning Commission.

Any changes associated with the Draft EIR have been identified in the Final EIR. New information has been identified with italics.

The environmental disciplines where significant adverse environmental impacts would occur after the implementation of mitigation measures include construction air emissions. Accordingly, a Statement of Findings and Overriding Considerations has been prepared for these significant adverse impacts and is included as Attachment I to the EIR.

PURPOSE/LEGAL REQUIREMENTS

In accordance with Section 15121(a) of the State CEQA Guidelines (California Administrative Code, Title 14, Division 6, Chapter 3), the purpose of an EIR is to serve as an informational document that: "will inform public agency decision-makers and the public generally of the significant environmental effect of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project."

The EIR is an informational document for use by decision makers, public agencies and the general public. It is not a policy document that sets forth City policy about the desirability of

the project discussed. The proposed project requires discretionary approval from the City of Santa Fe Springs and, therefore, it is subject to the requirements of CEQA (Public Resources Code, Section 2100 et seq.).

This EIR addresses both project-specific and cumulative impacts of the proposed project. The focus of this EIR is to address potentially significant environmental issues identified in the Notice of Preparation (see Appendix A) and to recommend feasible mitigation measures, where possible, to reduce or eliminate significant environmental impacts.

SCOPE AND CONTENT

The NOP was circulated for a 30-day comment period beginning on April 21, 1999. The NOP was circulated to City departments, neighboring jurisdictions, responsible agencies, other public agencies, and interested individuals in order to solicit input on the scope of the EIR. The NOP formed the basis for and focus of the technical analyses in this EIR. The following issues are addressed in this document:

- Land Use and Planning
- Geology
- Water Quality
- Air Quality
- Transportation/Circulation
- Hazards
- Noise

The NOP determined that the following issues are less than significant: population and housing, biological resources, energy and mineral resources, public services, utilities and service systems, aesthetics, cultural resources, and recreation.

A discussion of potential cumulative impacts is also provided. The alternatives section of this EIR is prepared in accordance with Section 15126(d) of the CEQA Guidelines. This section describes a range of reasonable alternatives that could feasibly attain the basic objectives of the proposed project or are capable of eliminating or reducing some of the significant adverse environmental effects associated with the proposed project.

LEAD AND RESPONSIBLE AGENCIES

The City of Santa Fe Springs is considered the Lead Agency in preparing this EIR. *The Refinery operates under existing CUP No. 323 that was previously approved by the City Planning Commission and Redevelopment Agency Board.* The City will be responsible for reviewing and considering for approval the application requesting an additional Conditional Use Permit (CUP) to allow the construction and operation of the proposed *new Bulk Loading Rack and related facilities.*

Section 16281 of the State CEQA Guidelines defines a "responsible agency" as: "a public agency which proposes to carry out or approve a project, for which a Lead Agency is preparing or has prepared an EIR or Negative Declaration. For purposes of CEQA, responsible agencies include all public agencies other than the lead agency that have discretionary approval authority over the project."

The following agency has been identified as a Responsible Agency for the Project:

- South Coast Air Quality Management District (SCAQMD)

In addition, the following agencies have permitting authority for aspects of the Refinery operation, and have been given an opportunity to review and comment on the EIR:

- State Water Resources Control Board (SWRCB)
- Los Angeles Regional Water Quality Control Board (RWQCB)
- Los Angeles County Sanitation Districts (LACSD)
- Department of Toxic Substances Control (DTSC)

For convenience, all the above agencies will be referred to generally as Responsible Agencies in this EIR.

INTENDED USES OF THE EIR

The EIR is intended to be a decision-making tool that provides full disclosure of the environmental consequences associated with the discretionary actions required to implement the proposed project. It will be used by the City of Santa Fe Springs, other responsible agencies, and the general public in the review of the proposed project. The discretionary action that requires Planning Commission review includes the Conditional Use Permit for the use of land adjacent to the Refinery, referred to as the old Walker property, for bulk loading and other Refinery related activities, *and approval of a revised plot plan for the main Refinery site*.

PROJECT SYNOPSIS

Project Applicant

CENCO Refining Company
12345 Lakeland Road
Santa Fe Springs, CA 90670

Project Description

CENCO Refining Company has recently acquired the Refinery located at 12345 Lakeland Road, Santa Fe Springs, from its former owner Powerine Oil Company. A refinery has been operating at the site since 1936. The Powerine Oil Company historically processed about 50,000 barrels of crude oil per day. This Refinery operated at the site until about July 1995 when

crude oil refining operations were temporarily suspended. Operating permits issued previously to Powerine (e.g., conditional use permits, air permits, wastewater discharge permits, etc.) have been transferred or re-issued to CENCO *or CENCO's application to transfer is serving as a permit*. In litigation concerning the action on the conditional use permit, the court has affirmed that the Refinery is an existing facility, with valid land use entitlements and that the resumption of prior environmental impacts need not be reviewed in an environmental document.

CENCO is now proposing modifications to the Refinery for several purposes: (1) to complete projects necessary for the Refinery to manufacture gasoline in compliance with the reformulated fuels requirements; (2) to replace support facilities that were removed from the Refinery; (3) to modify certain Refinery units to reduce the environmental effects of the Refinery's operation; and (4) to add new facilities that will improve the operational efficiency and safety of the Refinery. These modifications are referred to as the 1999 CENCO Refinery Upgrade Project. The impacts of construction and operation of this project are evaluated in this EIR.

The CENCO Refinery is located on approximately 99 acres consisting of three contiguous parcels of land located in the City of Santa Fe Springs generally north of the City of Norwalk and east of the Santa Ana Freeway (Interstate 5) in the eastern portion of Los Angeles County.

PROJECT ALTERNATIVES

The EIR includes a discussion of the following alternatives to the proposed project:

- Reformulated Fuels Gasoline Projects Only
- Alternate Site for Bulk Loading Rack
- Elimination of New Refinery Projects
- No Project

It was determined that the no project alternative would eliminate all of the identified significant impacts identified for the proposed project. However, the no project alternative would not achieve the project objectives. The CEQA guidelines provide that "if the environmentally superior alternative is the 'No Project' alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives." It was determined that several of the alternatives would reduce the project's impacts but none of the other alternatives would eliminate, or reduce the impacts to an insignificant level, the significant impacts identified for air quality during construction activities. All alternatives (other than the no project alternative) as well as the proposed project would result in significant impacts to air quality during construction activities. No other alternatives have been identified that would reduce these impacts to a less than significant level and achieve the project objectives. Consequently, the project is considered the most feasible alternative to ensure that the CENCO Refinery will be able to achieve all the objectives of the proposed project including the ability to produce reformulated fuels as specified in State regulations.

SUMMARY OF IMPACTS AND MITIGATION MEASURES

This section summarizes the environmental impacts, mitigation measures, and residual impacts associated with the proposed project. Table 1-1 includes a brief description of the environmental issues identified for the proposed project, potential environmental impacts prior to mitigation, proposed mitigation measures, and residual impacts remaining after mitigation. Impacts are divided into five classifications: Unavoidable Adverse Impacts, Potentially Significant but Mitigable Impacts, Less Than Significant Impacts, and Beneficial Impacts. Unavoidable adverse impacts are significant impacts that require a Statement of Overriding Considerations be issued per CEQA Guidelines Section 15093 if the project is approved. Potentially Significant impacts that can be mitigated to less than significant levels are adverse impacts that can be feasibly mitigated to less than significant levels and which require that findings be made in accordance with the CEQA Guidelines Section 15091 if the proposed project is approved. Less than significant impacts may be adverse but do not exceed the threshold levels and do not require mitigation measures. Beneficial impacts reduce existing environmental problems or hazards.

Unavoidable Adverse Impacts

Air Quality:	Exceeds daily mass emission levels of volatile organic compounds, nitrogen oxides and respirable particulate matter during project construction.

Potentially Significant But Mitigable Impacts

Geology:	Construction activities could uncover contaminated soil or water. Soil erosion from wind or water could occur during construction activities. Future earthquakes could impact proposed project structures. *Plugged and abandoned wells are located at the Refinery.*

Less Than Significant Impacts

Land Use:	Facility is located within a heavy manufacturing area and is compatible with the M-2 Heavy Manufacturing zone.
Geology:	Project impacts on topography and geological hazards (other than earthquakes, *soil erosion and abandoned wells*).
Water Quality:	Project impacts on surface water, water demand, ground water, and wastewater discharges.
Air Quality:	Construction emissions of carbon monoxide and sulfur oxides. Impacts on daily mass emission levels of criteria air

	emissions during project operation. Ambient concentrations of criteria pollutants. Carbon monoxide hot spots. Proposed project is consistent with Air Quality Management Plan. Emissions of toxic air contaminants.
Transportation/ Circulation:	Proposed project impacts during the construction and operational phases on transportation and circulation.
Hazards:	Substantial exposure to toxic chemicals or physical forces due to a release on-site or during transport.
Noise:	Project impacts on noise during construction and operation.

Beneficial Impacts

Hazards:	Elimination of chlorine use at the Refinery.

TABLE 1-1

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
LAND USE		
The CENCO Refinery Upgrade Project is compatible under the M-2 zoning of the City of Santa Fe Springs. The impact is deemed to be less than significant.	None required.	Land use impacts would be less than significant.
The new Bulk Loading Rack and related facilities will require a new CUP. The City requires that facilities that load and/or unload butane, propane, and similar fuels receive a CUP (City zoning 155.243 CUP J 5)	Issuance of a new CUP.	Land use impacts would be less than significant.
The location of the new Bulk Loading Rack will change from undeveloped land to industrial, thus increasing the intensity of industrial development within an industrial area.	None required.	Land use impacts would be less than significant.
The proposed project facilities will be located within a heavy industrial area and is mostly surrounded by heavy industrial uses except for LA CADA and Family Foundations located across the street on the southwest corner of Bloomfield Avenue and Lakeland Road. No change in land use or significant impacts are expected so impacts are less than significant.	None required.	Land use impacts would be less than significant.
Additional lighting for the proposed project will be required but would not impact residential areas.	None required.	Light and glare impacts would be less than significant.
The proposed project would not displace any individual so no significant impact is expected.	None required.	Land use impacts would be less than significant.

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
GEOLOGY		
No topographic changes are expected to the project site so impacts are less than significant.	None required.	Topographic impacts are less than significant.
No unique geological resources are present that could be disturbed by the proposed project. No significant impacts are expected.	None required.	Impacts on geological resources are less than significant.
Soil erosion from wind or water could occur during construction activities but construction practices are expected to minimize potential impacts.	See air quality mitigation measures.	Soil erosion impacts are less than significant.
Construction activities could generate contaminated soil or water.	Any contaminated soils or ground water shall be addressed pursuant to local, state and federal regulations and requirements, including requirements of U.S. EPA, DTSC, SCAQMD, and RWQCB.	Soil/water contamination impacts are less than significant due to extensive regulations.
Compliance with Uniform Building Codes is expected to result in less than significant impacts on geological hazards.	A qualified engineer shall approve all building plans. CENCO shall obtain building permits, as applicable, for all new structures.	Geological hazard impacts are less than significant.
Plugged and abandoned wells are located on the property.	*All accessible abandoned wells within 10 feet of construction activities will be tested for gas leakage and inspected for oil leakage. If there is any indication of oil or gas leakage the well shall be re-abandoned, as required by Dept. of Conservation.*	*Impacts on abandoned wells are less than significant.*

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
WATER QUALITY		
The CENCO Refinery Upgrade Project is not expected to adversely affect the quality, quantity or operation of ground water or monitoring wells, maintained by Los Angeles Department Public Works.	None required.	Ground water impacts are less than significant.
The project will result in an increase in storm water runoff from the Walker Property which will be contained and tested prior to discharge, if appropriate.	None required.	Surface water runoff impacts are less than significant.
Water is supplied by the City to the Refinery. The proposed project will not increase the water demand at the Refinery.	None required.	Water demand impacts are less than significant.
The proposed project is not expected to increase wastewater generated by the CENCO Refinery.	None required.	Wastewater discharges are less than significant.

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
AIR QUALITY Construction activities will generate emissions of VOCs, NOx, and PM10 that are significant. The construction emissions of SOx and CO are less than significant.	Develop a Construction Traffic Emission Management Plan. The Plan shall include measures to minimize emissions from mobile sources including an average vehicle ridership of 1.5, requiring measures to avoid morning and evening peak hour traffic, providing parking, scheduling truck deliveries, and consolidating truck deliveries to avoid peak traffic hours. Suspend use of construction equipment during second stage smog alerts. Prohibit trucks from idling longer than ten minutes. Use electricity or alternate fuels for on-site mobile equipment instead of diesel equipment. Maintain construction equipment tuned up and retard diesel engine timing, to the extent feasible. Develop a fugitive dust emission control plan. Place tarps over any trucks that are used to export or deliver soil to/from project site.	Construction emissions are expected to remain significant for VOC, NOx, and PM10.

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
AIR QUALITY (cont.)	Sweep paved streets at the end of the day if visible soil material is carried onto adjacent paved roads. Install wheel washers or wash off trucks where vehicles/trucks enter and exit from unpaved roads onto paved roads.	
Operational emissions of criteria pollutants are expected to be less than significant due to BACT and offset requirements.	*None required.*	*Mass daily emissions of criteria air pollutants are less than significant, because of the Refinery is required to install BACT and offset emission increases.*
and PM10 are PM10 are below SCAQMD threshold levels and are less than significant.	The ambient air concentrations of NOx, CO, and	None required. Concentrations of NOx, CO, less than significant.
No significant traffic impacts were identified at local intersections so no significant increase in CO hot spots is expected.	None required.	CO hot spots are less than significant.
The project is consistent with the General Plan and is consistent with the Air Quality Management Plan so no significant impacts are expected.	None required.	Impacts on the AQMP are less than significant.

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
AIR QUALITY (cont.)		
The estimated cancer risk due to the operation of the Refinery *(including the Project)* is expected to be less than the significance criteria of 10 per million so that the project impacts are deemed to be less than significant.	None required.	Cancer risk impacts are less than significant.
The acute and chronic hazard indices *due to operation of the Refinery (including the Project)* are less than 1.0 and are deemed to be less than significant.	None required.	Non-carcinogenic health impacts are less than significant.
TRANSPORTATION/CIRCULATION		
No increase in the level of service (LOS) at any intersection is expected so that no significant traffic impacts due to construction of the proposed project are expected. The impact is less than significant.	None required.	Traffic impacts during the construction phase are less than significant.
No increase in the LOS at any intersection is expected so that no significant traffic impacts due to operation of the proposed project are expected. The impact is less than significant.	None required.	Traffic impacts due to operation of the proposed project are less than significant.

TABLE 1-1 (cont.)

SUMMARY OF ENVIRONMENTAL IMPACTS, MITIGATION MEASURES AND RESIDUAL IMPACTS

IMPACT	MITIGATION MEASURES	RESIDUAL IMPACT
HAZARDS		
Impacts associated with on-site releases are not expected to extend into residential areas. Impacts are considered less than significant.	None required because of the extensive regulations. CENCO will be required to complete a Process Safety Management Program and a Risk Management Program.	Hazard impacts are less than significant.
The hazard impacts related to chlorine use will be beneficial as chlorine use at the site will be discontinued.	None Required.	Hazard impacts associated with chlorine are beneficial.
Impacts associated with spills on water quality are expected to be less than significant.	None required due to intensive regulations and existing containment facilities.	Hazard impacts on water quality are expected to be less than significant.
The project is not expected to increase the transport of acutely hazardous materials or petroleum products via truck or railcar so no increase in transportation hazards are expected.	None Required.	Hazard impacts due to transportation are less than significant.
NOISE		
Construction noise levels are expected to be less than significant since noise increases would not exceed the noise levels identified in the City of Santa Fe Springs Noise Ordinance.	None Required.	Construction noise is less than significant.
Operational noise is considered less than significant *as the estimated noise increase is less than 5 dBA and within the noise levels established under the City's noise ordinance.*	None Required.	Operational noise impacts are expected to be less than significant.

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